

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

December 11, 2001

IN RE:

**ENTERGY ARKANSAS, INC. REQUEST FOR APPROVAL
TO ENTER INTO CERTAIN FINANCING TRANSACTIONS
DURING THE YEARS 2002 THROUGH 2003**

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**DOCKET NO.
01-00830**

ORDER APPROVING FINANCING TRANSACTIONS

This matter came before the Tennessee Regulatory Authority (the "Authority") upon the Application (the "Application") of Entergy Arkansas, Inc. ("EAI") requesting authority to enter into certain financing transactions during the years 2002 through 2003.¹ The Directors of the Authority considered EAI's Application at a regularly scheduled Authority Conference held on October 9, 2001. Upon consideration of the Application, the Directors made the following findings of fact and conclusions of law:

1. EAI is an Arkansas corporation with its principal offices located in Little Rock, Arkansas.
2. EAI is a public utility in the business of supplying electric power to ratepayers in Tennessee, and is therefore subject to regulation and supervision by the Authority pursuant to Tenn. Code Ann. §§ 65-4-101, *et seq.*
3. On September 24, 2001, EAI filed with the Authority its Application seeking approval, pursuant to T.C.A. § 65-4-109, to issue and sell, from time to time between January 1,

¹ EAI submitted as its Application a copy of its application for similar approval filed with the Arkansas Public Service Commission.

2002 and December 31, 2003, one or more series of its first mortgage bonds and one or more series of its debentures in an aggregate principal amount not to exceed \$660,000,000. In addition, EAI requests authority to sell through a special purpose subsidiary, during the same time period, certain preferred securities in an aggregate principal amount not to exceed \$190,000,000. EAI further requests the authority to sell common stock to its parent, Entergy Corporation, during the same time period in an aggregate amount not to exceed \$200,000,000. Finally, EAI proposes to enter into arrangements for the issuance and sale, by one or more governmental entities, of one or more series of tax-exempt bonds in an aggregate principal amount not to exceed \$250,000,000.

4. As stated in the Application, the proposed bonds and debentures will bear interest at a fixed rate, a fluctuating rate, or some combination of fixed and fluctuating rates. EAI is unable to predict the interest rate these bonds and debentures will carry, as the bond and debenture markets are in a state of constant fluctuation.

5. EAI proposes to apply all of the proceeds of the financing to pay all or a portion of its short-term indebtedness outstanding from time to time, to provide funds for the retirement, subject to applicable refunding, legal, or regulatory requirements, of a portion of its outstanding securities at or prior to maturity through redemptions, tender offers, open market or negotiated purchases, or otherwise, and for other corporate purposes.

6. Tenn. Code Ann. § 65-4-109 directs the Authority to approve the proposed issuance of debt if it finds that such issuance is to be made in accordance with the law and the Authority approves the purpose of the issuance.

7. After careful consideration of the entire record and all applicable rules and statutes, particularly the provisions of Tenn. Code Ann. § 65-4-109, the Authority concluded that

EAI's Application should be approved. The Authority finds that this financing is for a proper purpose and is in the public interest.

IT IS THEREFORE ORDERED THAT:

1. Entergy Arkansas, Inc. is authorized to issue and sell, from time to time between January 1, 2002 and December 31, 2003, one or more series of its first mortgage bonds and one or more series of its debentures in an aggregate principal amount not to exceed \$660,000,000; to sell through a special purpose subsidiary, during the same time period, certain preferred securities in an aggregate principal amount not to exceed \$190,000,000; to sell common stock to its parent, Entergy Corporation, during the same time period in an aggregate amount not to exceed \$200,000,000; and to enter into arrangements for the issuance and sale, by one or more governmental entities, of one or more series of tax-exempt bonds in an aggregate principal amount not to exceed \$250,000,000.

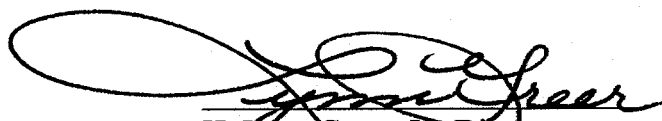
2. The terms of said issuance and sale shall be as described in the Application on file with the Authority.

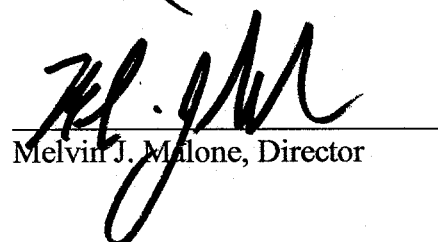
3. The authorization and approval given hereby should not be used by any party, including, but not limited to, any lending party, for the purpose of inferring an analysis or assessment of the risk involved to a purchaser of any Entergy Arkansas, Inc. securities. Nothing contained herein creates or is intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee, or any political subdivision thereof for the transaction approved herein.

4. Any party aggrieved by the Authority's decision in this matter may file a Petition

for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary